

**Form 51-102F3**  
**Material Change Report**

**Item 1            Name and Address of Company**

Grounded People Apparel Inc.  
800-1199 West Hastings Street  
Vancouver, BC V6E 3T5

**Item 2            Date of Material Change**

April 17, 2024

**Item 3            News Release**

A news release was disseminated on April 17, 2024, through the facilities of Stockwatch and subsequently filed on SEDAR+.

**Item 4            Summary of Material Change**

On April 17, 2024, the Company announced it has closed the first tranche (the "First Tranche") of its non-brokered private placement (the "Private Placement") through the issuance of 625,000 units (the "Units") at a price of \$0.80 per Unit for gross proceeds of \$500,000. Each Unit consists of one (1) common share of the Company (each, a "Share") and one (1) transferable Share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder thereof to purchase one (1) additional Share (each, a "Warrant Share") for a period of five (5) years from issuance, at a price of \$1.00 per Warrant Share. The Company may close further tranches of the Private Placement on or before May 17, 2024, to raise gross proceeds of up to \$3,000,000.

The net proceeds from the Private Placement will be used for working capital and general corporate purposes of the Company. Apart from the Administrative Shares (as defined below), no other finders' fees or commissions were paid in connection with completion of the First Tranche.

Pursuant to applicable securities laws, all securities issued under the First Tranche are subject to a statutory hold period until August 18, 2024.

*Early Warning Report Disclosure*

Under the First Tranche, Right Season Investments Corp ("Right Season") acquired 312,500 Units of the Company, totaling an investment of \$250,000. Prior to completion of the First Tranche, Right Season held 4,811,508 Shares in the capital of the Company and 4,811,508 Share purchase warrants representing approximately 20% of the issued and outstanding Shares (or 9,623,016 Shares representing approximately 28% of the issued and outstanding Shares on a partially diluted basis assuming exercise of all warrants held by Right Season).

Following completion of the First Tranche, Right Season holds 5,124,008 Shares and 5,124,008 Share purchase warrants representing approximately 20.30% of the issued and outstanding Shares (or 10,248,016 Shares representing approximately 28.88% of the issued and outstanding Shares on a partially diluted basis assuming exercise of all warrants held by Right Season).

*MI 61-101 Disclosure*

In connection with the First Tranche closing, the Company issued 12,500 Shares (“Administrative Shares”) to Amalfi Corporate Services Ltd. (“Amalfi”), in consideration for administrative services rendered in connection with the Private Placement. Amalfi is a private company controlled by Geoff Balderson. Mr. Balderson serves as CFO, Corporate Secretary and a director of the Company, and the issuance of the Administrative Shares to Amalfi is considered to be a “related party transaction” as defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the issuance of the Administrative Shares issued to Amalfi does not exceed twenty-five percent (25%) of the market capitalization of the Company, as determined in accordance with MI 61-101.

**Item 5 Full Description of Material Change**

See attached news release for full description of Material Change.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

**Item 7 Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8 Executive Officer**

Maximilian Justus, CEO is knowledgeable about the material change and the Report and may be contacted at 236-521-0626 or by emailing max@groundedpeople.com

**Item 9 Date of Report**

April 17, 2024



CSE: **SHOE**  
OTCQB: **GPAIF**  
FWB: **K1G**, WKN: **A3DVB1**  
W: [groundedpeople.com](http://groundedpeople.com)  
E: [investors@groundedpeople.com](mailto:investors@groundedpeople.com)  
T: 1-844-673-6753

## Grounded People Announces First Tranche Closing of Non-Brokered Private Placement

VANCOUVER, British Columbia, Canada – April 17, 2024 - **Grounded People Apparel Inc.** (“**Grounded**” or the “**Company**”) (CSE: **SHOE**), (OTCQB: **GPAIF**), (Frankfurt: **K1G**, WKN: **A3DVB1**), is pleased to announce it has closed the first tranche (the “**First Tranche**”) of its non-brokered private placement (the “**Private Placement**”) through the issuance of 625,000 units (the “**Units**”) at a price of \$0.80 per Unit for gross proceeds of \$500,000. Each Unit consists of one (1) common share of the Company (each, a “**Share**”) and one (1) transferable Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one (1) additional Share (each, a “**Warrant Share**”) for a period of five (5) years from issuance, at a price of \$1.00 per Warrant Share. The Company may close further tranches of the Private Placement on or before May 17, 2024, to raise gross proceeds of up to \$3,000,000.

The net proceeds from the Private Placement will be used for working capital and general corporate purposes of the Company. Apart from the Administrative Shares (as defined below), no other finders’ fees or commissions were paid in connection with completion of the First Tranche.

Pursuant to applicable securities laws, all securities issued under the First Tranche are subject to a statutory hold period until August 18, 2024.

### *Early Warning Report Disclosure*

Under the First Tranche, Right Season Investments Corp (“**Right Season**”) acquired 312,500 Units of the Company, totaling an investment of \$250,000. Prior to completion of the First Tranche, Right Season held 4,811,508 Shares in the capital of the Company and 4,811,508 Share purchase warrants representing approximately 20% of the issued and outstanding Shares (or 9,623,016 Shares representing approximately 28% of the issued and outstanding Shares on a partially diluted basis assuming exercise of all warrants held by Right Season).

Following completion of the First Tranche, Right Season holds 5,124,008 Shares and 5,124,008 Share purchase warrants representing approximately 20.30% of the issued and outstanding Shares (or 10,248,016 Shares representing approximately 28.88% of the issued and outstanding Shares on a partially diluted basis assuming exercise of all warrants held by Right Season).

Right Season has acquired the Units for investment purposes. Right Season intends to evaluate these holdings and increase or decrease its investment in the Company as circumstances warrant.

This news release is being issued in accordance with National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* in connection with the filing of an early warning report. The early warning report respecting the acquisition will be filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) at [www.sedarplus.com](http://www.sedarplus.com) under the Company’s profile.



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### *MI 61-101 Disclosure*

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### **ABOUT GROUNDED PEOPLE APPAREL**

Grounded People Apparel Inc. is a Vancouver, British Columbia, Canada based innovative apparel company focused on delivering high quality products to its customers that are 100% PeTA – APPROVED vegan. The Company is primarily engaged in the business of fair-trade, sustainable and earth-conscious fashion. The Company’s initial products, which launched in the fourth quarter of 2021, were its high-top and low-cut canvas sneakers, which are made from sustainable, ethically-sourced and produced materials, and are manufactured by fair-trade workers, in a 100% vegan manufacturing facility which is located in Brazil.

In addition to its commitment to a fashion industry that reduces waste and environmental impacts, the Company aims to create a meaningful positive impact on the world through its L.A.C.E.S. campaign. The L.A.C.E.S. campaign provides consumers an option to select a specific set of shoelaces to accompany their footwear purchase the colour of which is associated with one of the charities the Company has committed to support, whereby all profits from the sale of shoelaces will be donated correspondingly.

### **ON BEHALF OF THE BOARD OF DIRECTORS**

*“Maximilian Justus”*

Maximilian Justus  
Chief Executive Officer

For further information, please contact:  
Email: [investors@groundedpeople.com](mailto:investors@groundedpeople.com)  
Telephone: 1-844-673-6753

### **CAUTIONARY DISCLAIMER STATEMENT**

Suite 800 – 1199 West Hasting Street  
Vancouver, BC Canada V6E 3T5



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*The CSE does not accept responsibility for the adequacy or accuracy of this release.*

*The securities to be issued pursuant to the Private Placement have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons in the absence of U.S. registration or an applicable exemption from the U.S. registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.*

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation, including with respect to the use of proceeds of the First Tranche of the Private Placement. Forward-looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward looking statements. Such factors include, but are not limited to general business, economic, competitive, political, and social uncertainties, and uncertain capital markets. Readers are cautioned that actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.